

# Glossary of Budget and Contract Terms For Local Public Health Officials

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TERM	DEFINITION
<b>A-19-1A</b>	Invoice Voucher: Forms used by Washington State to authorize payment when a Purchase Order or Field Order Is not involved and where vendor Invoices are not employed.
<b>Accrual</b>	Obligations incurred or goods and services received during a reporting period, but not paid; or revenues earned during a reporting period, but not received.
<b>Actual</b>	The actual economic activity, the obligations incurred and paid and revenues earned during a reporting period.
<b>Allocation</b>	The distribution of a total budgetary amount over the budgetary period and/or sub-activities.
<b>Allocation Sheet</b>	A section of the Consolidated Contract that provides a detailing of the total maximum consideration (funding) by program, source of funds (state and federal), and time period for use of the funds.
<b>Amendments</b>	The process used to modify a contract. Must be agreed to by both parties. Because funds for Department of Health programs in the Consolidated Contract become available at different times throughout the year, and federal requirements may change during the contract year, the funding level and specific contract requirements may not be known at the time the original contract is processed. Therefore allocation and local methods are an agreed upon plan within the statement of work that may require adjustments. Program staff negotiates amendment requests throughout the year. Contract staff process amendments at least quarterly and more frequently as program requirements dictate.
<b>Appropriation</b>	A legislative authorization to make expenditures and incur obligations for specific purposes from designated resources available or estimated to be available during a specified time period.
<b>BARS</b>	<u>Budget, Accounting, and Reporting System</u> . A system designed by the State Auditor's office for consolidating information from all local governmental units for financial budgeting and accounting. Local health jurisdictions use BARS to report statewide programs and the funding sources for services provided at a local level.
<b>BARS A Report</b>	Report submitted either semi-annually or annually by local health jurisdictions to Department of Health, reflecting actual/accrued revenue and expenditures for health services for the period.
<b>Biennium</b>	A 24-month fiscal period consisting of two state fiscal years extending from July 1 of odd numbered year to June 30 of odd numbered year, two years hence. The legislature approves the state budget for a biennium.
<b>Boilerplate</b>	A contract term used in reference to the standard terms, assurances, and conditions that appear and are the same for each type of contract an agency enters into. (ConCon would be one type of contract.)

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<b>Bow Wave</b>	A term used in State government to mean any additional cost (or savings) that occurs in the future because a budget item in the current biennium is not fully implemented. Example: A program started in the last six months of this biennium might cost \$100,000. If that program operates for a full 24 months next biennium, costing \$400,000, then the current biennium budget decision is said to have a bow wave of \$300,000.
<b>Budget</b>	A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them. (See also Operating Budget, Performance Budget.)
<b>Budget Drivers</b>	Economic or demographic factors that have a significant effect on state or local government budgets. Examples: inflation rate changes, changes in population in certain age groups.
<b>Budget To Actual</b>	The act, process, or results (variance) of comparing the approved budgetary amount with actual results.
<b>Budgetary Comparisons</b>	Comparisons of approved budgeted amounts with actual results of operations (expenditures).
<b>Budgetary Control</b>	The control or management of a governmental unit of enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of fixed expenditure appropriation limitations.
<b>Budgeted Funds</b>	Funds subject to the appropriation and/or allotment process.
<b>Capital Outlay or Capital Expenditure</b>	Expenditures that result in the acquisition of or addition to fixed assets intended to benefit future periods.
<b>Cash Basis</b>	That basis of budgeting whereby all cash is recorded when received and all disbursements are recorded when paid without regard to the period in which they apply.
<b>CFDA#</b>	<u>Catalog of Federal Domestic Assistance</u> : a reference to a unique identifying 5-digit code assigned to each separate federal assistance program to identify the awarding agency and the various domestic grants provided to state and local governments. (See BARS Supplemental Handbook for list of CFDA numbers and associated revenue codes.) Example: 93.994 is the CFDA number for the Maternal Child Health Block Grant.
<b>Chart of Accounts</b>	A systematic listing of assets, liabilities, revenues, and expenses with an associated (usually) numeric code that is used to record and organize the financial data of an entity. The chart helps provide conformity of recording economic data and facilitates reporting, comparison, and analysis of that data.
<b>Common Rule</b>	OMB Circular A-102 which is applicable to state and local governments that receive/expend federal grants and other federal assistance. Most federal agencies have incorporated the content of OMB Circular A-102 into the relevant portion of the Code of Federal Regulations (CFR). Example: Title 42 of the Code of Federal Regulations is "Public Health". Department of Health and Human Services has incorporated the elements of OMB Circular A-102 into the relevant sections of 42CFR.
<b>Consolidated Contract</b>	A contract provides for a single agreement between Department of Health and each local health jurisdiction for state and federal funding of multiple public health programs.

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<b>Contracting Officer</b>	Contracting Officer, Department of Health: the Director of Contracts, Properties & Procurement of the Department and his/her delegates within that office.
<b>Cost Allocation Method</b>	The method by which indirect, or overhead, costs are distributed across the direct costs.
<b>CPAR</b>	<u>Contract Processing Action Requests</u> Forms used by Consolidated Contracts to communicate to the State Department of Health, Office of Contracts Management and the Comptroller's office information about the proposed contract. It provides information about the specific goods and services to be provided and the dollar amounts, with coding needed to track and account for the contract
<b>CY</b>	<u>Calendar Year</u> : a period of January through December in any year. Example: 1/1/05-12/31/05.
<b>Dedicated Accounts</b>	In State government, these are accounts set up by law to receive revenue from a specific source and to be spent for a specific purpose. Example: Health Services Account
<b>Deliverable</b>	A contract term for a report or result(s) outlined in the contract statement of work.
<b>Direct Costs</b>	Costs identifiable and charged directly to a program that is not for support or overhead. For a Federal award, it is those costs that can be clearly assigned to a contract or grant. Example: Salary and fringe benefits.
<b>Disbursement</b>	Payment made in cash or by warrant, check, or journal voucher.
<b>Encumbrance</b>	Obligations or commitments for goods, materials or services that have been ordered but not received by the end of the accounting period. Encumbrance accounting assures that appropriation authority will be available for a subsequent expenditure. In local health jurisdictions, encumbrance accounting should be utilized to the extent necessary to assure efficient budgetary control and to facilitate cash planning.
<b>Entitlement</b>	A service or grant that, under state or federal law, must be provided to all applicants who meet eligibility criteria. Example: Title 19 fee for service.
<b>Equipment:</b>	An article of non-expendable, tangible property other than land, buildings, or fixtures which is used in operations and having a useful life of more than one year and an acquisition cost of \$5,000 or more, or as defined by the local governmental unit.
<b>Estimated Payment</b>	A pro-rated monthly fraction of the program contract award.
<b>Federal Financial Assistance</b>	Assistance provided by a federal agency in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations, but does not include direct federal cash assistance to individuals.
<b>Fiscal Year</b>	A one-year fiscal period. The state fiscal year (SFY) extends from July 1 through the next June 30. The federal fiscal year (FFY) runs October 1 through September 30. Example: 10/1/05-9/30/06 Most federal funds are awarded within this cycle, but there are exceptions e.g., Immunizations, Ryan White, Tobacco.
<b>Fixed Assets</b>	Tangible assets acquired through donation, gift, purchase, capital lease, or construction with a service life of more than one year.

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<b>FPL</b>	<u>Federal Poverty Level</u> : or “Federal Poverty Guidelines”. A federal poverty measure issued each year in the <i>Federal Register</i> by the Department of Health and Human Services (HHS). The guidelines are used administrative purposes — for instance, determining financial eligibility for certain federal programs.
<b>FTE</b>	<u>Full Time Equivalent</u> : That portion of a standard work year (2088 hours per fiscal year) for which an employee receives compensation. Includes normal work schedule, plus allowed sick leave, vacation, and holidays.
<b>Fund</b>	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
<b>Fund Balance</b>	The excess of the assets of a fund over its liabilities and reserves.
<b>General Terms and Conditions</b>	A section of contracts that contains language that the Attorney General's office has determined to apply to most Department contracts. These terms and conditions provide important protections for the department and the contractor and ensure that department contracts comply with laws and regulations applicable to all department contracts. Changing any one of these General Terms and Conditions requires advance written approval of the Attorney General's office. Examples of terms and conditions include: nondiscrimination, single audit, treatment of assets, safeguarding of client information, disputes, and termination procedure. Terms and conditions are usually part of the contract “boilerplate”
<b>GF-S</b>	<u>General fund, State</u> : The general fund represents all financial resources and transactions not required by law to be accounted for in other accounts. GF-S refers to the basic account that receives revenue from Washington's sales, property, business and occupation, and other general taxes, and is spent for operations such as public schools social services, and corrections.
<b>Grant</b>	A contribution or gift of cash or other asset to be used or expended for a specified purpose, activity, or facility.
<b>HSA</b>	<u>Health Services Account</u> : A dedicated account for health services within the State budget. Several programs are funded out of this account.
<b>Indirect Costs</b>	Costs that cannot be attributed easily to a specific cost objective (or program) and apply to more than one cost objective (or program). Examples of indirect costs would be the cost of personnel performing administrative support activities across programs, costs of maintaining and operating facilities, communications costs related to the administration of the organization, depreciation or use allowance on common equipment or property data processing and accounting.
<b>Invoice Voucher</b>	Forms used by State to authorize payment when a Purchase Order or Field Order Is NOT involved and where vendor Invoices are NOT employed.
<b>Local Funds</b>	Revenue generated by the local health department or district and kept in that jurisdiction.

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<b>Modified Accrual System of Accounting</b>	A system of accounting utilized by governments and non-profit agencies whereby revenues are considered to be available as soon as they are both measurable and available, and expenditures recorded when the liability is incurred.
<b>OFM</b>	<u>Office of Financial Management</u> : a Washington State agency. By state statute, OFM acts on behalf of the Governor in the capacity of the state's budgeting and accounting agent and operates the centralized statewide accounting and reporting system for the state of Washington. OFM is required by statute to adopt and periodically update an accounting procedure manual.
<b>OMB</b>	<u>Office of Management and Budget</u> : a branch of the executive arm of the U.S. government. It primarily assists the President in overseeing the preparation of the federal budget; evaluates the effectiveness of agency programs, policies, and procedures; sets funding priorities, and assesses competing funding demands among agencies. In addition, OMB oversees and coordinates the Administration's procurement, financial management, information and regulatory policies. OMB publishes "Circulars", or Instructions or information issued by OMB to Federal agencies (e.g. <b>OMB Circular A-133</b> , Audits of States, Local Governments, and Non-Profit Organizations).
<b>Operating Budget</b>	Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. Law usually requires the use of annual operating budgets. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.
<b>Overhead</b>	Those elements of cost necessary to produce an article or perform a service for which the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditure which do not become an integral part of the finished product or services such as rent, heat, lights, supplies, management, supervision, etc.
<b>Performance Measure</b>	A quantitative indicator of how programs or services are directly contributing to the achievement of an agency's objectives or strategic plan. This includes indicators of a program or activity's Inputs, output, outcomes, productivity, timeliness, and/or quality.
<b>PHSA</b>	<u>Public Health Services Account</u> : A dedicated account created in the State Treasury. Funds in this account may be expended only for maintaining and improving the health of Washington residents, maintaining and expanding the public health system, maintaining and expanding health services access for low-income residents, maintaining and expanding the public health system, maintaining and improving the capacity of the health care system, containing health care costs, and the regulation, planning, and administering of the health care system. Several programs are funded out of this account including Teen Pregnancy Prevention and others.
<b>Proviso</b>	Language in budget bills that places a condition on the use of appropriations. Proviso language designates both an amount and a description of specific activities for which the funds are intended.
<b>Purchase Order</b>	A form is used by agencies to encumber, liquidate, and authorize payment for purchase requisition requests. These are usually numbered for purposes of reference and financial control.

<b>TERM</b>	<b>DEFINITION</b>
<b>Revenue</b>	Source of funds for the support of an expenditure; it represents an increase in cash or other current assets without a corresponding reduction in expenditures or increase in liabilities.
<b>Rights in Data</b>	A term that relates to who / what entity has a legal right to control the use of data that may be developed in the course of providing services.
<b>Statement of Work</b>	A section of contracts that includes a complete description of the work to be performed. The Statement of Work (SOW) is intended to be complete, specific, categorized, and product-oriented (whenever possible,
<b>Subcontractor</b>	A non-employee of the local health jurisdiction who is performing all or part of those services under a separate contract with the LHJ. The term "subcontractor" and subcontractors" shall apply to subcontractor(s) in any tier.
<b>Subrecipient</b>	An entity that expends federal awards received from Department of Health (or another pass-through entity) to carry out a federal program. A subrecipient may also be a primary recipient of other federal awards offered directly from a federal awarding agency. Additionally, a subrecipient may also serve as a vendor under a different contract. Payment received for goods or services provided as a vendor would not be considered federal awards and thus not subject to audit review as such. A subrecipient is an entity which: determines who is eligible to receive what federal financial assistance; has its performance measured against the objectives of the federal program; makes programmatic decisions; has the responsibility to adhere to federal compliance requirements; or uses federal funds to carry out the Department's programs rather than provide goods and services for a program of another entity
<b>Supplemental Budget</b>	Any legislative change to the original State budget appropriations
<b>Travel Expense Voucher</b>	A form used to substantiate and/or authorize payment of travel costs for employees.
<b>Vendor</b>	A dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a federal program. A vendor operates in a competitive environment and is a provider of goods or services that are ancillary to the federal program, to many different purchasers during "normal" business hours. A vendor does not determine who is eligible to receive what federal financial assistance; have its performance measured against the objectives of the federal program; make programmatic decisions; have the responsibility to adhere to federal compliance requirements; or use federal funds to carry out the Departments' programs rather than provide goods and services for a program or another entity,
<b>Voucher</b>	A written document, which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.
<b>Vouchers Payable</b>	Liabilities for goods and services evidenced by vouchers which have been pre-audited and approved for payment but which have not been paid.
<b>Warrant</b>	An order drawn by the legislative body or an officer of a government upon its treasurer directing the latter to pay a specified amount to the person named or to the bearer. It may be payable upon demand, in which case it usually circulates the same as a bank check; or it may be payable only out of certain revenues when and if received, in which case it does not circulate as freely.